

Amendments to Senate Bill No. 337
1st Reading Copy

Requested by Senator David Wanzenried

For the Senate Natural Resources and Energy Committee

Prepared by Sonja Lee
February 20, 2007 (11:48am)

1. Title, page 1, line 4, through page 1, line 5.
Following: the second "ACT"
Strike: remainder of line 4 through "COOPERATIVE;" on line 5
2. Title, page 1, line 5.
Following: "ALLOWING"
Insert: "ELECTRICITY"
3. Title, page 1, line 9.
Strike: "AND LEND MONEY"
Following: "MONEY;"
Insert: "REQUIRING AN ELECTRICITY BUYING COOPERATIVE PROVIDING
ELECTRICITY TO SMALL CUSTOMERS OF A DISTRIBUTION UTILITY TO
PROVIDE ANCILLARY SERVICES; REQUIRING THE PUBLIC SERVICE
COMMISSION TO ESTABLISH TARIFFS RELATED TO RENEWABLE
RESOURCES;"
4. Title, page 1, line 10.
Following: "SECTIONS"
Insert: "35-19-102,"
5. Page 1, line 14.
Insert: "Section 1. Section 35-19-102, MCA, is amended to read:
"35-19-102. Definitions. As used in this chapter, unless
the context requires otherwise, the following definitions apply:
(1) "Distribution utility" means the electricity
distribution portion of a public utility ~~as defined in 69-8-103~~
regulated by the public service commission pursuant to Title 69,
chapter 3.
(2) "Load" means the electricity that is consumed.
~~(2)~~(3) "Residential customer" means a residential customer
of a distribution utility.
~~(3)~~(4) "Small commercial customer" means, for a
distribution utility, individual accounts of a commercial
customer with an average monthly demand in the previous calendar
year of less than 100 kilowatts or a new commercial customer with
an estimated average monthly demand of less than 100 kilowatts.
~~(4)~~(5) "Small customer" means a residential customer or
small commercial customer of a distribution utility."
{ Internal References to 35-19-102: None. }

Renumber: subsequent sections

6. Page 1, line 16.

Strike: ":"

7. Page 1, line 17.

Strike: "(a)"

Strike: ":"

Insert: "."

8. Page 1, line 18 through page 1, line 22.

Strike: line 18 through line 22 in their entirety

9. Page 2, line 4.

Strike: "or lend"

10. Page 2, line 14.

Strike: "and"

11. Page 2, line 15.

Following: "the"

Insert: "ownership,"

Following: "lease"

Insert: ", "

12. Page 2, line 16.

Strike: "or"

Insert: "and

(ii) transmission and distribution equipment necessary to interconnect with facilities described in subsection (6)(b); and

(d) the lease or use of capacity on transmission or distribution systems;"

13. Page 2, line 17.

Strike: line 17 in its entirety

14. Page 3, line 4.

Following: line 3

Insert: "(1) construct, purchase, take, receive, or otherwise acquire or own, hold, equip, maintain, or operate electric generating plants or transmission or distribution lines or systems, except as provided in 35-19-201(6)(c) and (6)(d);"

Renumber: subsequent subsections

15. Page 3, line 7.

Strike: "or"

16. Page 3, line 12.

Following: "produce"

Insert: ", conserve,"

Following: "heat"

Strike: "."

Insert: "; or

(4) provide electricity to small customers of a distribution utility unless the electricity buying cooperative provides ancillary services as defined in 69-8-1003:

(a) from a source other than the distribution utility;

(b) through a contract with the distribution utility that is approved by the public service commission; or

(c) pursuant to a tariff promulgated by the public service commission, another relevant regulatory body, or a service provider that specifically applies to distribution utility services provided to electricity buying cooperatives.

(5) A distribution utility may not refuse to negotiate a contract with an electricity buying cooperative for scheduling, system control, and dispatch services if that contract is necessary to move energy within a transmission or distribution system controlled by the distribution utility."

17. Page 3, line 13.

Insert: "NEW SECTION. **Section 5. Establishment of tariff -- renewable energy sources.** Upon the request of an electricity supplier, the commission shall prepare the following tariffs for distribution utilities:

(1) a nondiscriminatory, cost-based tariff indicating the costs that a public utility will incur if transmission and distribution services are provided to another electricity supplier;

(2) a nondiscriminatory, cost-based tariff for the residential and small commercial customer classes to defray the unrecovered embedded costs of customers that leave the utility. The tariff in this subsection (2) may not apply beyond the date of the next short-term power purchase contract negotiated by the utility to acquire energy equal to or greater than the loss of load from the exiting customer or beyond the next addition of generation by the utility for which the commission determines that generation and load planning can be modified, whichever period is shorter. The commission shall, in making a decision on a tariff, take into account the following:

(a) additional demands on the energy supply system that can defray the loss of customers;

(b) the extent to which the customer leaving the energy supply system will enable the utility to purchase less power, thus decreasing spot-market or short-term contract purchases;

(c) the benefit to the utility of not needing to construct additional generation facilities; and

(d) any other factors that the commission considers necessary.

(3) a nondiscriminatory, cost-based tariff for the residential and small commercial customer classes to defray the

costs of a customer returning to a distribution utility. In developing the tariff, the commission shall take into account, among other things, the benefit to the distribution utility customers of having increased load from the additional customer to defray costs on all of its systems."

Insert: "NEW SECTION. **Section 6. {standard} Codification instruction.** [Section 5] is intended to be codified as an integral part of Title 69, chapter 3, and the provisions of Title 69, chapter 3, apply to [section 5]."

Renumber: subsequent section

- END -